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MINISTRY OF INTERNATIONAL TRADE

PUBLIC NOTICES

IMPORT TRADE CONTROL

New Delhi, the 24th October 1963

SUBJECT:—*Exports—Registration of exporters under the Incentive Scheme for Cotton Textiles.*

No. 134-ITC(PN)/63.—Attention is invited to Col. 4 of item No. 16 (i) to (vii) of Part I, Annexure I to Appendix 23 of the Import Trade Control Policy Book for the period April '63-March '64, wherein the Cotton Textiles Export Promotion Council, Bombay, has been shown as the "Registering Authority".

2. It has now been decided that the Registering Authorities shall be the following:—

<i>Item</i>	<i>Registering Authority</i>
I (a) Cotton cloth (millmade cotton piecegoods) and cotton yarn; (b) Cotton readymade garments (Apparels); (c) Cotton hosiery fabrics; (d) All items of non-fabric cotton textile goods.	Cotton Textile Export Promotion Council, Bombay.
II Handloom Fabrics	Regional Offices of the Textile Commissioner in their respective jurisdictions.
III Mixed fabrics and mixed hosiery.	Textile Commissioner, Bombay.

3. The above amendment will be deemed to have taken effect from the 1st March, 1963.

SUBJECT:—*Imports—I.T.C. Classification of "Sidal" Sutki Fish salted and unsalted.*

No. 135-ITC(PN)/63.—It is notified for information of the trade that "Sidal"-Sutki Fish (i) if salted is correctly classifiable under S. No. 5/IV and (ii) if unsalted under S. No. 6/IV of the I.T.C. Schedule.

2. Firm commitments made for import on the basis of previous classification of the items prior to the issue of this Public Notice will, however, be honoured, if the imports are otherwise in order.

SUBJECT:—*Import of machinery components thereof, equipment, other commodities and raw materials from the U.S. under Aid Loan No. 082.*

No. 136-ITC(PN)/63.—Attention of importers is invited to Public Notice No. 62-ITC(PN)/63 dated the 21st June, 1963 setting out the conditions applicable to import licences under U.S. Aid Loan No. 082.

2. A question has been raised whether in entering into contracts with U.S. suppliers in respect of goods to be imported under Aid Loan 082, the importers could avail themselves of credit facilities in vogue in commercial transactions. It has been decided that the importers could do so provided the period of credit does not extend beyond 90 days after the date of shipment and provided no interest charges, direct or indirect are involved. Clause (viii) of the Appendix to the Public Notice No. 62-ITC(PN)/63 dated the 21st June, 1963 has accordingly been revised and the revised clause as under, will replace, with immediate effect, the original clause (viii) of the above mentioned Appendix:—

“(viii) Payments against the import licences may be made by importers through the authorised dealers in foreign exchange in India in the normal manner. If the importer wants to avail himself of credit facilities offered by U.S. suppliers, he could do so provided the period of credit does not extend beyond 90 days after the date of shipment and provided no interest charges, direct or indirect, are payable by him because of credits extended. No other credit arrangement except to the extent indicated above is permissible. The importers shall stipulate in their contracts with suppliers a condition that payments, when due in accordance with the terms of the contracts, will be made only on presentation to the Bank concerned of all the documents detailed in Annexures II and VI. The authorised dealers in foreign exchange, while making requests to their correspondents in U.S.A. for opening letters of credit in favour of suppliers should also instruct the U.S. correspondents to open the letters of credit with the explicit condition that payment will *inter alia* be subject to the presentation by the supplier to the Bank concerned of a complete set of documents as detailed in Annexures II and VI. These documents will be forwarded by the U.S. Banks to the Indian Banks concerned who will in turn pass them on to the Ministry of Finance (Department of Economic Affairs), Economic Aid Accounts Section, New Delhi with the particulars of the relative import licence with date duly noted on each of these documents. It is important that the Indian Bank should ensure that these documents complete in all respects [particularly, itemised invoice duly marked ‘Paid’, separate DLF certificates (original signed in ink by hand) for value of stores, freight and insurance bill of lading, date of contracts etc.] are sent to the Ministry of Finance (Department of Economic Affairs) Economic Aid Accts. Section, New Delhi within 15 days after the cost of imports has been actually remitted to the foreign suppliers. The above condition regarding documentation will also apply to cases where bills are received by Authorised Dealers in Foreign Exchange on “collect basis” to cover imports. This will, however, not absolve the importers from the responsibility of submission of proper documents within the stipulated time limit. The procedure of collection of documents by the Authorised Dealers in Foreign Exchange will not apply to imports of sulphur”.

3. Another question raised relates to the payment of Agent's commission in rupees in India. When the end user is himself the importer in AID financed transactions, the price he pays to the U.S. manufacturer may contain a commission for the local distributor (i.e. the Agent Company in India). Such a commission, if paid in local currency (i.e. Indian rupees), will cumulatively render additional imports possible under the AID loan, taken as a whole. It has, therefore, been decided that in the case of imports under Aid Loans by private sector firms the importer should ensure that his contract with the U.S. supplier provides that the Agent's commission, if any, is deducted from the dollar price and shown separately to be settled in rupees between the importer and the Agent Company in India. This commission although payable in rupees in India will, however, be duly taken into account against the value of the imports authorised under the

import licence concerned; an equivalent amount will not, therefore, be available for additional imports under the individual licence. Clause (x) of the Appendix to Public Notice No 62-ITC(PN)63 dated the 21st June, 1963 has accordingly been revised and the revised clause, as under, will replace, with immediate effect, the original clause (x) of the above-mentioned Appendix—

“(x) The goods should be procured at reasonable prices which should normally approximate the lowest competitive export market price, quality, time and cost of delivery and other factors considered. Prices for such goods which are purchased in bulk shall not exceed the market price prevailing in USA at the time of purchase, adjusted for differences in the cost of transportation to destination, quality and terms of payment. Where the prices include commission for the local distributor (i.e. the Agent Company in India), the importer shall ensure that the contract with U.S. supplier provides that the Agent's commission is deducted from the contract prices, to be settled in rupees in India between the Agent and the importer. This commission, although payable in rupees in India will, however, be duly taken into account against the value of the imports authorised under the Import Licence concerned; an equivalent amount will not therefore, be available for additional imports under the individual licence. The prices at which contracts are concluded by the importer will be subject to check by the Indian Government. Credit facilities can be availed of subject to the limit indicated in clause (viii) above. Any contracts entered into in violation of the conditions of this paragraph will render the licence liable to cancellation. Goods imported under this import licence shall be used only for the purposes for which the import licence is issued and/or in accordance with such conditions as may hereafter be prescribed by Government. The importer shall promptly furnish to the Ministry of Industry (Aid Section) all relevant information concerning details of purchase and the use of goods obtained under the import licence”.

P SABANAYAGAM,
Chief Controller of Imports and Exports.

